



State of Montana

Department of Labor and Industry

2012 Agency Biennial IT Report

Fiscal Year 2011-2012

August 2012

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EXECUTIVE SUMMARY

CRICET (Contractor Registration Independent Contractor Exemption Tracking) is in User Acceptance Testing with a targeted implementation timeframe of October 2012.

The WCAN (Workers' Compensation Administration Network) modules are under development. Those modules include;

- The *Claim Assistance Unit* ensures compliance with workers' compensation and occupational disease laws relating to benefits and claims. Unit staff provide assistance to claimants and insurers by informing them of applicable laws and assisting them in claims processing procedures.
- The *Data Management Unit* ensures compliance with claims reporting standards, maintains the workers' compensation database system and completes a comprehensive annual report on workers' compensation for the Governor and the legislature. In addition, the unit performs research on the workers' compensation system and related topics.
- The *Workers' Compensation Mediation Unit* provides an alternative method of resolving disputed claims prior to involving the Workers' Compensation Court. This mandatory, non-binding mediation is an informal process to provide a solution to claim disputes.
- The *Assessment Unit* ensures that employers provide workers' compensation insurance as defined in the Montana Workers' Compensation and Occupational Disease Acts. The department may grant an employer the ability to self-insure its workers' compensation liabilities if it has the requisite financial ability to pay workers' compensation indemnity and medical benefits. The department may also levy fines for employers not in compliance with the regulations.

The *Uninsured Employer's Fund Unit* is used to track claimants whom are injured on the job and were not covered by Worker's Compensation Insurance. The UEF fund reimburses medical providers for services rendered to the eligible claimants and then bills the Employers for Compensation (a calculated amount for lost wages) and the payments to the medical providers. This system tracks claimants, medical providers, compensation and medical payments, monetary adjustments to the claimants' accounts, and amounts paid by the Employers.

The Independent Medical Review process is on going and in place for an informal alternative dispute resolution process.

The Stay At Work/Return To Work Assistance Program is available by request to minimize disruptions caused by a work-related injury or decease. As of July 1, 2012 the department can provide each worker who suffers a work-related injury or occupational disease a document that describes the stay at work/return to work services available; Arrange for stay at work/return to work assistance if the insurer chooses not to provide the assistance, and track and evaluate the success of the assistance.

UI Tax modernization is underway. The RFP has been issued, responses from vendors were returned Aug 31, 2012. The PFP response evaluation and scoring will commence in early September 2012. Public evaluations and vendor demonstrations are scheduled for early October 2012. Selection and announcement of winning vendor is scheduled for mid-October 2012 with contract signing scheduled for early November 2012. The project design and development is scheduled to commence in early January 2013.

The Building & Licensing Standards is in production. The division is continuing the development of interfaces and reports which includes the Prescription Drug Monitoring report.

Initiative Status	Total	Fully Funded	Unfunded	Partially Funded
Completed	2	2		

Substantially Completed	4	4		
Deferred				
Delayed				
Cancelled				
Remain on-going by design	1	1		

SECTION 1: AGENCY IT PLAN ACCOMPLISHMENTS – GOALS & OBJECTIVES

Goal Number 1:

IT Goal 1 Develop IT Staff

Description: DLI will improve the expertise of our IT workforce by achieving efficient, motivated, and well-trained employees with the knowledge, skills, abilities, and competencies to meet our current and future information technology challenges.

Benefits: Allow DLI to maintain a skilled and properly staffed IT workforce which benefits our department customers

- Reduce costs by completing internally developed technical solutions
- Quickly leverage new technologies to provide better services to the citizens of Montana
- Keep employees in our workforce through advanced training opportunities

This aligns with the state strategic goal to achieve maximum value of information through the active management of information technology and objective to recruit, train and retain a highly skilled workforce.

Supporting Objective/Action

Objective 1-1 Prepare and Implement Staff Development Plans and Provide Access to Training

Accomplishments: Access to technical training by on-line, computer based, on-site and travel for technical staff. Purchase manuals and allow the use of video streaming to watch technical presentations on line. Prepare and discuss training needs with 90% of staff during performance evaluations.

Status: Substantially Completed, and on-going in nature

Goal Number 2:

IT Goal 2 Focus on Customer Service

Description: DLI will use IT effectively to improve government services, promote the well-being of Montana's workers, employers, and citizens, and uphold their rights and responsibilities.

Benefits: The Department of Labor and Industry continually improves services to the public by focusing on:

- Meeting customer needs and improving customer satisfaction
- Creating an environment for continual improvement
- Increasing good teamwork and participation
- Making decisions based on what is best for internal and external customers within legal parameters of laws and regulations
- Inviting customer participation to better identify their needs

This aligns with the state strategic goal to aggressively use technology to extend capabilities that enhance, improve, and streamline service delivery and objectives to seek out and implement innovative information technology solutions, and increase use of seamless cross-boundary information solutions.

Supporting Objective/Action

Objective 2-1 Provide IT Solutions

Accomplishments: Completed the consolidation of Business and Licensing Standards databases into a single system that is accessed via an internet portal. Over 65% completed with the consolidation of the WCAP and xTier systems into a Java based environment to streamline development and utilize current technologies. The two systems replace older technology and include automating business functions like Independent Contractor registration, Claims Assistance, data management, Workers' Compensation Mediation and Assessment. Completed the implementation of the Stay At Work\Return To Work Assistance Program.

Status: Completed, Substantially Completed, and on-going pending the system.

Supporting Objective/Action

Objective 2-2 Provide Value to Customers

Accomplishments: Web enabling systems so our customers can access our programs outside of regular working hours. Reduces the knowledge that the technical staff must maintain by eliminating the older software and environment. Keeps systems current with technology advances which includes improved security of the system.

Status: Completed, Substantially Completed, and on-going in nature

Goal Number 3:

IT Goal 3 Promote and Ensure IT Security, Privacy and Recovery Efforts.

Description: DLI will adopt secure architectures and mitigate security and privacy risks to its systems, infrastructure, and data, and will protect confidential data from accidental disclosure, theft, and destruction

Benefits: Prevent unauthorized use of Department computer systems and applications

- Ensure accurate authentication of computer users
- Maintain privacy of sensitive or confidential information
- Decrease the incidence and threat of information theft and destruction

This aligns with the state strategic goal to enhance the reliability and security of the State's information systems and objectives to seek develop and implement an information risk management, identify and document compliance requirements, and streamline and unify information system processes in accordance with industry practices

Supporting Objective/Action

Objective 3-1

Complete Strategic and Tactical Programs

Continuity of Operations Planning: DLI will complete Continuity of Operations by utilizing the LDRPS system.

DLI will create updated disaster recovery plans for all of information systems. New procedures for servers at the State of Montana Data Center.

Risk Management strategy to perform risk assessments. It will help in mitigating risks and vulnerabilities to provide a more secure department.

Accomplishments: Completed a monthly new user training and orientation for technology trainings. Implemented the SANS Securing the Human Training and system specific training by division for 3 of 5 divisions. Started the basic design of a new Security Website Resources for staff, tips and tools, news bits, inventory of staff completion of security training, incorporate securing the human. Developing

security booklets for division - legal authorities, state, and fed requirements, risk management, continuity, and disaster recovery plans.

Status: on-going in nature

SECTION 2: IT INITIATIVES STATUS UPDATES

Initiative 1 UI Tax Modernization

Description: The current Unemployment Insurance Tax System (UIT) was revived in SFY2005 when the Unemployment Insurance Tax program was moved back to the Department of Labor & Industry after the POINTS project was terminated. This system uses old technology (mainframe-based COBOL, CICS, and VSAM), and computer programmers with this type of expertise to support this system are either difficult to find or unwilling to work for the wages the state is able to pay. In the second half of 2008, a feasibility study was conducted on the possibility of replacing or enhancing the current UIT system. The study recommended replacing the UIT system with a framework-based system utilizing current architectures and technology. The 2009 Legislative Session authorized (via HB 10) expenditure of up to \$19,735,567. This includes 6 modified FTE to be dedicated solely to this project.

This project is currently underway and development of a Request for Proposal has begun. The project is known as STAARS.

EPP Number: NA

Status: RFP is under way

Funding: Funded

Initiative 2 Montana Department of Labor, Employment Relations Division

Description: CRICET (Contractor Registration Independent Contractor Exemption Tracking)
The replacement for xTier and Independent Contractor registration.

EPP Number: NA

Status: Substantially Completed

Funding: Funded

Initiative 3 Building Standards System

Description: This system is being designed to provide business and technical services related to a comprehensive statewide data management and e-permitting system for State Building Codes responsibilities.

EPP Number:

Status: Substantially Completed

Funding: Funded

Initiative 4 Licensing Standards System

Description: This system is designed to provide to the licensing bureaus (Business and Occupational Licensing and the Health Care Licensing) business and technical services related to a comprehensive data management and e-government licensing for the 40 boards/programs and the approximately 150 license types.

EPP Number:

Status: Substantially Completed

Funding: Funded

Initiative 5 Prescription Drug Monitoring Program

Description: The primary purpose of this application would be to enhance regulatory and law enforcement agencies and public health officials to collect and analyze controlled substance prescription data through a centralized database administered by the Board of Pharmacists.

EPP Number: NA

Status: Starting development

Funding: Funded

Initiative 6 Independent Medical Review

Montana Department of Labor, Employment Relations Division

The Independent Medical Review is an informal alternative dispute resolution process. It became effective July 1, 2011. If a treatment or service is denied by the insurer, an Independent Medical Review maybe requested. An interested party must submit a request for review to the department along with medical records. The Medical Director reviews the medical records of the injured worker, applies the Utilization and Treatment Guidelines and makes a recommendation.

Since the inception there have been twenty-two requests for an Independent Medical Review. As all parties involved in worker's compensation become more aware of its benefits, the more the review process is being used. Since the first of the year, the department has received fifteen new requests compared with seven for the first six months.

EPP Number: NA

Status: Completed

Funding: Funded

Initiative 7 Stay At Work/Return To Work Assistance Program

Montana Department of Labor, Employment Relations Division

As part of the worker's compensation reform passed by the 2011 Legislature and a result of HB33 the stay at work/return to work assistance is made available by request. The goal of the assistance is to minimize disruption caused by a work-related injury or disease by assisting the worker in the worker's return to the same position with the same employer or a modified position with the same employer as soon as possible after an injury or occupational disease occurs.

To implement the program the Department will:

- Provide each worker who suffers a work-related injury or occupational disease a document that describes the stay at work/return to work services available
- Arrange for stay at work/return to work assistance if the insurer chooses not to provide the assistance, and

- Track and evaluate the success of the assistance.

Status: Completed

Funding: Funded

SECTION 3: ADDITIONAL INFORMATION - OPTIONAL

Other types of information that your agency may wish to report as accomplishments or challenges related to achieving the Goals, Objectives, and Initiatives outlined in your 2010 IT plan and 2011 IT plan update.